

**OPPOSE House Bill 1048**  
**House Bill 1048 - Public Utilities – Investor–Owned Utilities – Prevailing Wage**  
**House Economic Matters Committee**

Columbia Gas of Maryland, Inc. opposes House Bill 1048. HB 1048 mandates that Maryland public utilities pay no less than prevailing wage on underground infrastructure replacement projects. Columbia believes this bill is unnecessary. Columbia employees and contractors are very well paid, providing family sustaining jobs for more than 120 men and women in Western Maryland.

HB 1048 will increase costs to Maryland ratepayers. The fiscal note estimates this action will add 2%-5% in the cost of those projects, though it is difficult to see how the figure came to be. Even if accurate, this is not a small number. Adding 5% on top of the \$86 million in STRIDE related pipeline projects would put Columbia's customers on the hook for that additional \$4 million. The fiscal note goes on to say that these additional costs do not necessarily end up in rates. While it is true ratemaking is not a dollar for dollar calculation, there is no question that labor costs are fully recoverable and that the vast majority of any increased state-mandated costs will be paid for by Maryland ratepayers.

For the reasons set forth above, Columbia Gas opposes House Bill 1048 and requests an unfavorable report.

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Contact:  
Carville Collins  
(410) 580-4125  
[carville.collins@dlapiper.com](mailto:carville.collins@dlapiper.com)

Contact:  
Pete Trufahnestock  
(717) 903-8674  
[ptrufahnestock@nisource.com](mailto:ptrufahnestock@nisource.com)